Department of Commerce

Division of Simplified Practice

Washington

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TAKING THE GUESSWORK OUT OF BUYING.

If correspondence can be any guage of popularity of a subject, the editorial in last month's Monthly News Bulletin on "Simplified Practice and the Science of Buying" struck a most responsive chord in the minds of Bulletin readers. From every section of the country, writers indicated their desire to "take the guess work out of buying".

Purchasing has become a highly-specialized work in the last few years. Members of the purchasing profession handle hundreds of millions of dollars each year buying material, and equipment, for their respective companies. Their expenditures must be efficiently made, else their position is unjustifiable. And the purchasing agents have realized most keenly that the real force of the dollar has been dissipated by too much variety and by the lack of uniformity, as well as by other forms of waste.

Through their recognition of this fact, members of this profession are pointing the way to "dollar-conservation" for the thousands of small organizations and companies which are too small to have a purchasing agent constantly engaged in buying operations. The cooperation of purchasing agents in the work of the Division of Simplified Practice has been immediate, forceful and tireless, whatever the nature of the simplification program under consideration. The results achieved with their cooperation are of equal benefit for the member of a firm who may spend but a small part of his time making purchases.

The buyer has several prime considerations in his work. First he must have a thorough knowledge of how the needs of his company may be adequately served by a given range of goods. Second, he must keep investments in materials and equipment at a minimum consistent with good business. Next he must keep his purchase prices to the lowest point consistent with good quality. Here, by cooperation with the engineering and production departments, he may find opportunities to ascertain whether goods already produced under Simplified Practice Recommendations are adaptable to the company's needs. Here, again, if such recommendations can be used effectively, he has the opportunity to tell the salesman who calls on him that "Simplified Lines" are what he wants. Incidentally, this has been done with telling effect in at least one industry and has been a factor in helping the industry to save many million dollars.

"There is more profit and steadier trade in making a few staple articles and making them well than in making a great variety of articles for the few or to meet a wavering demand" is a remark credited to Henry Ford. Mr. Ford might equally well have said that there is better value and steadier supply from buying simplified articles--when they are available--than in distributing purchases over a wide range of goods having immaterial differences.

In buying under Simplified Practice Recommendations, wherever possible, the purchaser is throwing his influence on the side of mass production--which has been the great factor in America's industrial supremacy--in stabilizing production at reduced costs, and in giving more goods or better quality for the same money.

One company cooperating in the sheet steel simplification supports the Simplified Practice Recommendation by use on its correspondence of a sticker which says: "We Recommend 28 Gauge or Heavier for Outside Sheet Metal Work". The example is attracting wide attention and is a fine influence of "selling Simplified Practice".

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Trade journals, which are constantly pointing out apportunities for new simplifications, are urging simplification of alloys in brass and bronze. One instance was that of a plant casting 250 different analyses during a year Another was that of a company using 16 alloys in manufacturing plumbing fixtures, which discovered that 90% of the business could be done in two, and which has since secured ingot metal at ½¢ a pound below previous costs without sacrificing quality or ease in subsequent machining of the product.

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The adoption of Simplified Practice for sidewalk lights has brought out a large number of inquiries. One manager of a large number of properties writes: "From the standpoint of owner and operator, I want to thank you for the efforts you and your department are making ** I am forwarding the papers to the National Association of Building Owners and Managers. ** I will be glad** if you will in the future keep me in touch with any work of this kind which you may be doing * * in the building trade.

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Along the same line, the United Real Estate Owners Association of New York City is planning to broadcast this work among its members.

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Adherence tothe Simplified Practice Recommendations on Wide and Sail Cotton Duck has "been unexpectedly great", and "The benefits derived therefrom have been material", the Cotton Duck Association reports. The result has been a reaffirmation of the recommendations without change for another year.

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The American Association of State Highway Officials has notified the Division that it has included American Lumber Standards in its new bridge specifications.

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American Lumber Standards covering shingle grades and qualities have been adopted by the Shingle Manufacturers Association of Washington and Oregon.

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Influence of Simplified Practice Recommendations is more than nation-wide. The Canadian paper mills, the Division is informed, are watching progress in matters affecting sizes and weights, as well as uniform warehouse, purchase, invoice and inquiry forms and bank checks. "The tendency of our mills", says the secretary of the Canadian Paper & Pulp Association, "is, as you perhaps know, to follow the American mills in such matters. ** "

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The City of New York, A heavy buyer of many commodities, after having adopted a number of Simplified Practice Recommendations, comments, through Peter J. Dooling, Commissioner of Purchase, "You have my hearty endorsement of your work * * and I will cooperate with you * * wherever possible, to the fullest extent." Father Knickerbocker is thus setting a pace for the rest of the municipalities of the country.

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Applying Simplified Practice to buying, the college of Engineering, University of Illinois, has announced its acceptance of the Grinding Wheels Simplified Practice Recommendation.

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"As I am considering building within the next two years, I have already sent for all of the Simplified Practice bulletins having to do with hollow tile, slate, hardware, etc." writes a manufacturer of Indiana, whose interest was attracted by prospective simplification in his own industry. "you are accomplishing something the importance of which will be more and more appreciated as the years go by". If more prospective builders would follow this course, the benefits of Simplified Practice would be brought to the consumer more quickly.

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While the tire industry and others interested are discussing a possible simplification of tire sizes to conserve rubber, a West Coast manufacturer of rubber stamps points to possible economies from simplifying rubber type and brass type holders.

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An example of the worker's interest in simplification came recently in a letter citing comments, made in a financial magazine, by a big manufacturer, on the value of Simplified Practice. This workman, in the boot and shoe industry, is anxious to learn how simplification works in his industry. This is just another proof that the actual producer is eager to take advantage of and support a movement which advances his earning capacity.

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The American Engineering Standards Committee, American Institute of Architects, American Society for Testing Materials, American Federation of Labor, andthe departments of manufacturer and domestic distribution of the Chamber of Commerce of the United States have accepted "in principle" the Simplified Practice Recommendation on Grinding Wheels.

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"I am strongly in sympathy with the economies being worked out by the Department of Commerce in Simplified Practice in other matters. * * " writes the president of the Colorado State Farm Bureau. Keep bearing down on these things! You are doing a great work! * * Will cooperate in any practicable way."

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"It is interesting to note" says a New York general sales manager, "that the National Association of Purchasing Agents is giving a good deal of attention to Simplified Practice because, through the cooperation of the purchasing departments, any work * * can be materially helped." Perhaps this writer didn't know that the N.A. P.A. has eight representatives on as many matters in which the Division is cooperating, one of these being on Secretary Hoover's advisory committee regarding the work of the Division.

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The United Typothetae, National Paint Oil and Varnish Association, and Dairy and Ice Cream Machinery and Supplies Association, Inc., have accepted the Standard Invoice Form. The Tulsa Branch of the National Association of Purchasing Agents is using a wall display in its offices showing advantages of the Standard Form. Two more railroads, Atchison, Topeka & Santa Fe and the Chicago, Milwaukee and St. Paul, have also become Standard Invoice users. One purchasing agent for a Rome, N.Y., company has induced 24 companies to adopt the Standard form. In other parts of the country, similar efforts are being carried on and the results will be described in a later bulletin.

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Students of applied science in the State University of Iowa are becoming interested in Simplified Practice, and are planning stories on the movement in their publication, "The Transit".

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The Simplified Practice Recommendations reducing steel reinforcing bar sizes from 40 to 11, adopted more than a year ago, are to remain in force indefinitely as the result of a revision conference held late last month.

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The Department of Economics of the University of Michigan is turning material regarding Simplified Practice to new use--as material for studies of the economics of consumption. Buyers of Simplified Lines are the real backbone of the movement.

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The campaign of the Grocery Bag Manufacturers Bureau, in addition to advertising the Simplified Practice Recommendations, is being carried to the jobbers salesmen, and, according to a report to the Division they are responding a great deal better than had been expected either by the Bureau or our advertising agents. The simplification is being carried into the manufacture of fancy duplex coffee and tea bags, and a manufacturer writes: "If we keep on with this * * there is no telling where it will lead, once we have got the simplification habit."

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By invitation, the Division had a speaker address the senior class in engineering administration at Massachusetts Institute of Technology recently. M.I.T. has a definitely-planned course in Simplified Practice and the class lately visited a plant to see the practival application of simplification. Boston University has also included Simplified Practice in its curriculum.

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Recommendations that four sizes of steel spiral rods used as cores for reinforced concrete columns replace seven sizes previously used were adopted at a conference January 26th. This will become effective December 15, 1926.

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"At least one session of the Senior Seminar" of Sheffield Scientific School of Yale University, will be devoted to a discussion of Simplified Practice, the Department of Industrial Engineering informs the Division.

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Unification of specifications for iron and steel scrap, and the adoption of a standard contract form in conformity to the Standard Invoice form were adopted at a meeting February 4th of iron and steel interests, purchasing agents, waste material dealers and others.

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Simplified Practice is forming an important section of an exhibition being conducted during the next few days by the School of Commerce of Oregon Agricultural College, Corvallis, Ore. Dean Robbins of the University of Oregon is making a number of talks throughout the state before organizations on the subject of Simplified Practice.

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The Management Division of the American Society of Mechanical Engineers through its executive committee predicts that the work of the Division of Simplified Practice will "make a marked impression on industrial management during the coming year" because the wastes from over-diversity are beginning to be appreciated.

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Otterbein College, Westerville, O., in its publication "Tan and Cardinal" is indicating an active interest in Simplified Practice.

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The Maryland State Grange, at its 53rd session, adopted resolutions "That the Maryland State Grange place itself on record as being heartily in accord with the efforts of the 'Waste in Industry Committee' of the Department of Commerce," and "That it recommend that purchasing organizations and individual members of the Grange, so far as possible, favor the simplified lines in making their purchases." This is a significant recognition by the farmers as the largest consumers of American-made goods of the value of organized effort for the elimination of waste in industry.

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Editorially, the Shoe and Leather Reporter is calling on shoe manufacturers to simplify their lasts and patterns, pointing our that the varying styles have frequently changed so rapidly that the manufacturers have not been able to pay for the costs of lasts and patterns. The only way to success, this paper says, is to keep the policy of volume production. The paper points to the fact that the retailer would be the gainer by more compact stocks which would also be more complete, and with conservative investment.

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The California Manufacturers Association is making a canvass of its members to find the extent to which they can use Simplified Practice Recommendations, the extent to which they are using them, and to which they are willing to use them. This group is also building up a list of speakers familiar with the subject of Simplified Practice, to give talks on this subject before other groups. The California Association has received a big number of answers favorable to the supporting campaign. The example is arousing interest among Manufacturers Associations in other states. Boards of Directors of Manufacturers Associations in Connecticut and Iowa have approved the appointment of committees to cooperate in their states with the Division of Simplified Practice.

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Sterling silverware manufacturers and distributors have developed a tentative plan of Simplified Practice, which they have asked to have presented for action of a general conference under the Division's auspices early in March. The Manufacturers' association estimates a potential saving of $5,000,000 if the program is adopted.

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In cooperation with the Division, the Metals Utilization Committee recently held a conference of manufacturers, distributors and users of steel reinforcing bars to determine the feasibility of securing a uniform grade or grades to replace the 57 sets of specifications now used on thiscommodity. A canvass is to be made to determine the needs of the users.

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"Standardization of Building materials, especially, has reduced the cost of home building. It is only one of many progressive steps recently taken to improve conditions, and opened the way for a still further standardization and reduction of building costs. In the words of Secretary Hoover, the savings possible * * are almost incredible" says the Dayton O. "Journal" commenting on the creation of a professorship in heating and plumbing at Carnegie Institute of Technology. The "Journal" points to the simplification of brass lavatory and sink traps as a move which "will bring about better and cheaper sanitation for the home builder."

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MONTHLY NEWS BULLETIN
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WHAT MERCHANTS WANT TO KNOW

During the year 1925, more than 108,000 questions were asked of a Merchant's Service Bureau maintained by an Ohio manufacturing organization whose products enter into stores of every type. The questions came from city , village, and even little cross-roads stores, and the sales volume ranged from $3,600 up to more than $36,000,000 annually.

Out of the 108,000 inquiries there were 96,529 which accounted for 25 questions most often asked. Second and fifth in rank of the number of inquiries were: How to move slow stock; and how to speed up stock-turn. In other words, these closely-allied subjects brought one inquiry in every nine.

One answer to these inquiries would have been "Simplified Practice", the elimination of "too much variety". Before "too much variety" can be eliminated under the cooperative procedure of the Division of Simplified Practice, there must have been a survey of all the facts as to the production and the demand. These facts, based on sales records, furnish a guide as to what constitute the "live" or actively-demanded items, and as to what are the dominant items, which may be eliminated without detracting from adequate service. Such facts are compiled by the industry itself, the Division's service being to offer a neutral friendly meeting place for maker, distributor and user to meet and decide for themselves what they may eliminate to their mutual benefit.

To the distributor, especially the retailer, this offers an opportunity to keep his stocks free from slow moving items. It offers an opportunity for concentrating sales attention upon "live" items, for keeping down investment in stocks, selling costs, and other expenses and for speeding up his turnover. The retail trade organizations in many cases are helping their membership through their part in formulation of and adoption of Simplified Practice Recommendations. Their partnership in this movement works both ways--self help, as well as helping the consumers and producers.

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The Flavoring Extract Manufacturers Association of the United States, in a recent convention, adopted the Simplified Practice Recommendations on Fox-board Thicknesses, and pledged cooperation to the program.

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The National Association of Building Owners and Managers has printed Simplified Practice Recommendations covering glass sidewalk and roof lights, in order that its members may be guided in their purchases of these commodities.

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Several companies manufacturing machine screw products have had the Simplified Practice Recommendations on self-opening die head chasers printed and circulated to thousands of consumers. Two companies reported distribution of 20,000 copies each of the simplifications.

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One large New York firm of consulting engineers is distributing copies of all Simplified Practice Recommendations to some 20 of its "key men" in order that the recommendations may be adopted wherever possible.

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The American Zinc Institute, Inc., executive committee has accepted Simplified Practice Recommendations applying to commodities bought by the Institute's members.

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Standardization will be a topic of the International Accountants Congress to be held in Amsterdam, Holland, July 5 to 9.

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Eight radio broadcasting stations in the Central Mississppi district, with headquarters in St. Louis, include Simplified Practice as a topic in discussions of commercial subjects.

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The British boot and shoe trades, through a research association, are seeking to evolve standardized sizes which will fit all shapes of feet. Only a few American manufacturers have applied simplification in their boot and shoe plants.

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The Norwegian Industrial Association has adopted paper standards in line with international standards used in Switzerland, Germany and Austria.

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Urbana Junior College, Urbana, O., is buying Simplified Practice Recommendations for use in classes in elementary business management.

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The National Canners Association convention at a recent meeting in Louisville, Ky., adopted resolutions approving simplification of containers for canned foods as holding material economies and savings for factories engaged in making materials and equipment for canneries; and instructing the board of Directors to organize committees for the various sections of the Association.

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In its new catalog, the Eastern Machine Screw Corporation has included the Simplified Practice Recommendation on die head chasers as a means of reaching its customers. The company accepted this recommendation both as a producer and a consumer of these products.

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The Buffalo Chapter of Society of Industrial Engineers is making an effort to determine to what extent firms represented in its membership are cooperating in carrying out Simplified Practice Recommendations; and will seek to have its members accept, whether they are producers or users.

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St. Urban Grange, Lewis County, Washington, has a committee studying Simplified Practice. Lewis county Pomona Grange is doing likewise. It is indicated that they will urge their membership to buy simplified lines wherever obtainable; as Quinalt Grange, of Maplehurst, Washington, has taken this step after an investigation of the subject. Consumer interest is growing,- a hint to industry.

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Weights of certain items have been defined, and the number of new patterns of sterling silverware limited to one in two years by a manufacturer as a part of a Simplified Practice Program adopted early this month. Five million dollars, it is estimated, will be saved in the cost of dies, raw material, finished stocks, and in sales expenses for the makers and distributors.

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"I get ready and interested response" writes Prof. George H. Follows of Carnegie Institute of Technology, whose work in Commercial Engineering stresses Simplified Practice, to more than 200 students.

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The Royal Bank of Canada, with more than 675 branches in Canada, the United States, and several other countries, pays a high tribute, in a recent bulletin to the industrial cooperation in the United States for Simplification. Pointing to large gains possible to canadian industry through simplification, the Royal Bank quotes Barclay's Bank comments on simplification offering "cumulative benefits", and being a factor in the money situation "which deserves special mention".

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"Last evening when I went out to buy some electric light bulbs, the dealer advised me that after a certain time the style I had been using would no longer be procurable; that the makers would concentrate on a very few patterns and those only, in which I recognized Mr. Hoover's theory of 'Simplified Practice', writes M. J. Warner, president of the Converters' Association, New York.

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Whether there are preventable wastes in business administration of school systems--which cost the nation two billion dollars a year--is to be the subject of an extensive research by a commission in which the Department of Commerce and National Education Association are cooperating.

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Use of bold-faced type in catalogs to denote "recognized sizes" under Simplified Practice Recommendations has been suggested from several sources as a guide for buyers of commodities in which there has been simplification.

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State Manufacturers' Associations are giving increasing Cooperation. Washington, a pioneer in using standard catalog size for directory of manufacturers' Association membership, is backing the National Standard Invoice Form. The Oregon Association is issuing its new directory in standard catalog size. The New Hampshire manufacturers are calling attention in their monthly publication to Simplified Practice. The Rhode Island Association is circularizing its members by letter while the South Dakota Association is urging its members to buy simplified lines. The Georgia Association held a big meeting March 4th, with the Chief of the Division as its principal speaker, and with many non-members as guests, giving the movement a big impetus.

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